

CITY OF MORGAN HILL
SPECIAL AND REGULAR CITY COUNCIL AND
SPECIAL REDEVELOPMENT AGENCY MEETING
MINUTES - MAY 3, 2000

Mayor/Chairman Kennedy called the meeting to order at 6:03 p.m.

ROLL CALL

Present: Council/Agency Members Cook, Tate and Mayor/Chairman Kennedy
Late: Council/Agency Members Chang (arrived at 6:07 p.m.) and Sellers (arrived at 7:14 p.m.)

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

City Council Action

OTHER BUSINESS:

1. APPOINTMENTS TO THE PARK & RECREATION COMMISSION

The City Council interviewed the following Parks & Recreation Commission candidates: Gavin Daprile, Mark Frederick, Wanda Puder, and Wayne Tanda. Candidate Bill Weber was not present.

Action: *The City Council, by ballot vote, selected four candidates.*

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Chang, the City Council unanimously (5-0) **confirmed the Mayor's appointment** of Mark Federick, Wanda Puder, Wayne Tanda and Bill Weber to serve terms through May 1, 2002.*

Mayor Kennedy called the regular meeting to order at 7:09 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor Kennedy, Phyllis Pedrizzetti Led the Pledge of Allegiance

PUBLIC COMMENT

Eileen Kennedy stated her disappointment that the City is not following through with its assistance to the Las Casas de San Pedro senior residents. She noted that the City's four demand items have not been met by the management of Las Casas de San Pedro (e.g., roll back of all rents, guarantee to limit

rent increases, reinstate a full time property manager and reinstatement of shuttle services). She requested that staff keep at least two individuals who reside in Las Casas de San Pedro complex advised as to discussions taking place. She previously requested that the City Attorney witness the existing conditions. In her place, Business Assistance and Housing Services Specialist Bill Newkirk was sent and noted that staff did not report back to the Council its finding. She requested that the city assist the senior residents and that it be made a priority to the city.

Keith Robertson informed the City Council that Las Casas de San Pedro is losing its senior residents. He indicated that new residents are being asked to pay higher rent from that paid in the past, including the request to pay additional deposit fees. Furthermore, maintenance is not taking place. He requested that the City Council and staff assist as much as possible. He did not know what the results of the building inspector were of the five units inspected and hopes that a report will be provided to the residents soon.

John Scully, Las Casas de San Pedro resident, indicated that his rent was increased last month by \$325, indicating that he is on a fixed income. The residents feel that they are being pushed out onto the street because they cannot afford to live in the complex.

Interim City Attorney Leichter stated that staff has been notified that some of the Section 8 tenants have had their rents increased. She reminded the Council that the City waived its ability to enforce any rent increases of the complex approximately seven years ago. The only recourse left is through the County and the Section 8 HUD programs. It is staff's understanding that each year, rent increases are renewed and at this point, under current HUD regulations, increased security deposits can be requested. Staff was notified by some of the tenants that they received rent increases. This information was relayed to Santa Clara County. Staff has been informed by County staff that they did not approve the rent increases. This information was referred to the County Counsel responsible for administering the HUD program. In terms of the security deposit, staff has informed the tenants of their recourse and sources of funding available, including the City's senior emergency fund. In terms of the remaining leverage the city has, she is meeting with County Counsel on Friday to discuss the County's leverage to enforce any covenant. This information has been disclosed in Council closed sessions. She said that two building inspectors inspected five units available for inspection and that she was advised by the inspectors that they could not find any violations of the housing code which render the units inhabitable. She indicated that it was her understanding that there is a construction defect lawsuit being brought by the current owners against the prior owners. Staff has cooperated and has provided documentation of what was approved to the litigants in this case. She indicated that there was a response to her demand letter. She stated that she and County Counsel will meet with the new owners' attorney. Staff would agendize a closed session to discuss the litigation strategy again if the Council so directs.

Mayor Kennedy requested that this matter be scheduled for a closed session and requested that the City Manager take an active interest in this matter. He further requested that staff schedule the question of priorities for the 20% set aside for an open session. He also requested that staff include two Las Casas de San Pedro residents in future discussions.

Council Member Chang requested that staff look at using the 20% set aside in terms of rental housing

subsidies.

Council Member Cook asked if Project Sentinel has been responsive to the situation? Ms. Leichter said that to her knowledge, Project Sentinel has not filed enforcement actions on behalf of the tenants.

Council Member Cook noted that the City contributes to Project Sentinel's treasury every year to provide services to the community. If the City is not getting its monies worth, the city needs to review this fact.

Council Member Sellers noted that the City advocated for Project Sentinel to receive funds this year. He said that the City has been an advocate on their behalf and now it is time for Project Sentinel, to assist the city and its citizens.

The following Park side residents addressed the City Council regarding closed session item #4 relating to the Father's House located at 271 West Edmondson: Richard Rice, President of Parkside Homeowners Association, (wanted to make sure that the Mayor and City Council is aware of the residents' concerns about the potential use of the church facility, requested that the homeowners be allowed to participate in future discussions pertaining to the church site); Barbara Sullivan, 16135 Olympic Drive, indicated that she was speaking as an adjacent resident and not as a Planning Commissioner; Mark Bell, 386 Cascades Court (As a police officer, he understands what goes on with rental halls in San Jose. He did not believe that individuals renting the facility and do not live in the community and would not respect the community); Dennis Barraza, 402 Cascades Court; and Susan Collins, 392 Cascades Court. The residents felt that a church would be a good neighbor. However, converting the facility into an unregulated rental hall allows the potential for a lot of activity to occur in the neighborhood that does not occur today. The senior center would be welcomed but not if it is to be used as a rental facility as it would disrupt the quality of life of area residents. Concern was expressed with the concept of using the facility as a rental facility as it would bring in crime, vandalism, drug use, alcohol consumption and lewd acts. Also, of concern were increased traffic, noise, litter, trespassing, and the lack of law enforcement and retribution for filing complaints.

Interim City Manager Tewes invited the community to join the City, the YMCA, and the Mexican American Community Services for a Cinco de Mayo celebration to be held on Friday, May 5 at Galvin Park from 6:00 to 9:00 p.m.

Mayor Kennedy informed the Parkside residents that the City Council will be discussing the Father's House in closed session and that the Council has heard the Parkside homeowners' concerns. There is a strong interest on the part of the City Council to work with the neighbors to make sure that it does something that would not undermine, jeopardize or damage the neighborhood. The Council would be considering the concerns of the adjacent homeowners as it goes through the process.

Environmental Programs Manager Eulo invited the City Council and the community to attend two workshops scheduled on the design of the Community and Cultural Center to be held on Thursday, May 11 at 7:00 p.m. in the Council Chambers and May 13 at 10:00 a.m. at the Grange Hall.

No other comments were offered.

CONSENT CALENDAR:

Council Member Cook recommended that Consent Calendar Item 4 be moved to the RDA Consent Calendar as it requires the approval of Redevelopment Authority's money be spent for the purchase of land for the Butterfield Boulevard project.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Chang, the City Council unanimously (5-0) **approved** Consent Calendar Items 2, 3, 5 and 6 as follows:*

2. **SPECIAL EVENT PERMITS AND FEES**

Action: 1) **Directed** staff to schedule a public hearing on the revision of City Temporary Use Permit Fees; and 2) **Directed** staff to re-evaluate both Temporary Use Permit Fees and fees for special events on public property as a component of a master revision of the City's fee schedule.

3. **AMENDMENT TO CONTRACT PROVIDING PLAN CHECKING SERVICES ON AN AS-NEEDED BASIS**

Action: 1) **Approved** the amendment to the contract with Harris & Associates to increase the contract amount by \$56,000 and 2) **Authorized** the City Manager to execute the contract amendment.

5. **APPROPRIATION OF ADDITIONAL FUNDS FOR THE CONSTRUCTION OF NORDSTROM PARK**

Action: **Appropriated** from the unappropriated fund balances as follows: \$27,000 from Local Drainage Non-AB 1600 Fund (304) and \$23,000 from Park Development Impact Fund (301) for the construction of Nordstrom Park.

Director of Public Works Ashcraft announced the grand opening for Nordstrom Park to take place the week of June 5. He will notify the City Council as to the exact date in the near future.

Council Member Sellers noted that the original contract included a contingency of only 5%. He asked if this is a normal percentage? If not, why was it only 5%? Mr. Ashcraft responded that contingencies are usually 10%. Staff thought that this project was specific enough that a 10% contingency was not needed.

6. **APPOINTMENT TO THE MOBILE HOME RENT COMMISSION**

Action: 1. **Reappointed** Charles W. Dillman and Dennis Pinion to the Mobile Home Rent Commission for a two-year term; 2) **Directed** the City Clerk to re-advertise two vacant positions; and 3) **Extended** the appointment of Commissioner Mirviss to June 30, 2000 or the conclusion of the Petition Hearings.

PUBLIC HEARINGS:

**7. OUT OF AGENCY SERVICE REQUEST APPLICATION, OSR-00-01: SAN PEDRO
- SCVWD**

Director of Community Development Bischoff presented the staff report.

Mayor Pro Tempore Tate noted that the County Health Department states that the existing septic systems are discharging inadequately treated sewage. He considered this a failure of the septic system and felt that a finding can be made based on a septic system failure. It was his belief that this finding is well within the spirit of what Measure P intended.

Council Member Sellers concurred with Council Member Tate's comments and stated that it is mentioned that the Water District is currently considering the purchase of the Collins' property.

Mr. Bischoff indicated that the Water District did consider the purchase of the Collins' property at a meeting held yesterday but that action was postponed to a meeting later this month. He indicated that there are five different alternatives that the Water District could take to mitigate the problem.

Mayor Kennedy opened the public hearing.

Council Member Cook asked the representative from the Water District if he had any indication if these are the only two affected parcels in the area?

Luis Jaimes, representing the Water District, informed the City Council that testing has been performed over the past two years, including monitoring the well water at the Alosi property. Also, the District has been correlating the elevations in the well with the ground water elevations in the ponds. It has been established that the ground water recharge has an impact on these two properties. He indicated that the Water District is aware that there has been historically high ground water in the area but that a study has not been conducted to determine if this has been caused by the recharge facility.

Council Member Cook asked if the Water District has any information that indicates whether the ponds are recharging just to the perch water layer or does it actually go into deeper recharge zones? Mr. Jaimes responded that the geologist has indicated that the recharge facility recharges a little water. The Water District has been able to identify that some ground water migrates from the ponds to adjacent properties. He said that if this is a global problem in the area, the Water District will have to look into a construction solution. It is hoped that by extending sewer service to the two parcels, the Water District will be able to solve the immediate problem and continue operating the recharge facility.

Council Member Cook felt that the problem affects a wider area and that it is not isolated to two sites. She asked if the Water District had an operational procedure that gave maximums and minimums of how much water should be recharged when it designed and installed the ponds? Mr. Jaimes responded that the site appeared to be a good site at the time of design and construction. It

was hoped that the Water District would be able to recharge 4,000 acre feet per year. He said that the ground water level has been historically high in this area.

Council Member Cook said that when she spoke with Mr. Collins today, he indicated that when he first moved onto the property, the water level on his property was at 35 feet under ground and that it is now being operated above this level.

Mr. Jaimes indicated that the Water District has concluded that the ponds have an effect on the Collins' high ground water. Thus, this application is being brought before the City Council.

Mayor Kennedy opened the public hearing.

Phyllis Pedrizzetti stated that this property was a former vineyard and that she had never experienced a ground water problem. She indicated that no one approached her regarding the actions of the Water District, noting that one water well was ruined by the Water District by silt. Her son's well had to be cleaned out and drained because it was filled with silt. It cost her \$25,000 to install a septic system in order to accommodate the ground water that now exists. She felt that this problem should have been addressed when the Water District installed the pond. If sewer lines are to be installed, she recommended that the entire avenue be included because the entire area is affected. She felt that it was irresponsible of the Water District to install ponds without mitigating the sewer drainage.

Charlie Collins stated that he became aware of the water problem two years ago when he was trying to sell his property. The potential buyers investigated the possibility of constructing a granny unit. The purchase contract was canceled due to the buyer's inability to construct a granny unit because the ground water was too high. He stated that he could not sell or build upon the property unless something is done to mitigate the pond problem.

Mayor Kennedy said that there has been quite a fluctuation in the water tables over the past years based on droughts and rainy seasons. Mr. Collins did not believe that the water fluctuation in the area was caused by the various rain/drought seasons.

No further comments were offered.

Council Member Chang concurred that the problem extends beyond these two parcels and that it was a regional problem. However, the two property owners have a need for city sewer service as their current septic systems are not functioning properly. She recommended that the City grant a temporary solution for these two parcels and at the same time require the Water District to include funding in their budget to resolve the overall problem.

Council Member Cook stated that she did not want to delay the request for service. However, she recommended that the City initiate discussions with the Water District to inform them that this is a series situation that needs to be resolved in a short period of time. She did not want to return to LAFCO several times for the same issue.

Mayor Pro Tempore Tate concurred that if this is an area problem, the area should be addressed at the same time and not be discussed piecemeal.

Director of Public Works Ashcraft informed the City Council that a sewer line does not exist on San Pedro. However, sewer lines are located on Hill Road, south of Dunne Avenue, and on Barrett Avenue. The applicants' proposal of a short 600 foot stub would serve these two parcels and would not serve anyone westerly of the Alosi lot.

Council Member Cook recommended that this item return at the end of the month or the first meeting in June and that the City commence discussions with the Water District. The city needs to communicate to the Water District that this is an issue of concern due to the health risk. She also wanted to know whether the cost for recharging of water was going to the right place and that it will be useful. If not, she would not want to pay for this service.

Council Member Chang concurred that this item be continued to allow the Water District to return with a plan to solve the problem for the entire area.

Council Member Sellers felt that the first step is to sit down with the Water District. Therefore, he supported a one month continuance.

Mayor Kennedy noted that the Water District has been aware about this problem for several years. He asked if the Water District has plans to resolve the problem?

Mr. Ashcraft said that the Water District is pursuing two to three alternatives in parallel, one being a construction solution. He indicated that the Water District has not contacted the City regarding the construction solution nor should they as they have the right to work on their property. He said that the City contacted the Water District three and a half years ago when the city was contacted by residents about high ground water problems. Staff contacted the Water District to advise them that staff felt that the high ground water was being aggravated by the ponds. He said that the study that resulted from this concern was just released last summer.

Mayor Kennedy noted that it has been suggested that this item return at a future meeting with the understanding that the Water District will be able to return with a definitive report and suggestions on how to resolve the problem.

Mr. Jaimes said that he would take the Council's concern to Water District management. He felt that what was being presented was a temporary solution. He said that the Water District is working in parallel toward a construction solution.

Mayor Kennedy stated that the Council is not satisfied that the Water District has done its job in addressing this issue adequately. He said that before the City Council approves the request, the Council wants the Water District to return with a definitive plan on how it will fix the problem.

Council Member Cook offered to work with City and Water District staff. She recommended that this item be continued for a month. She is hoping that the individuals affected by this problem can

work in concert with the City through various legal means to encourage the Water District to address the water problem.

Motion: *On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **continued** the public hearing for this item to June 7, 2000 and authorized staff and Council Member Cook to begin negotiations with the neighbors and the Water District to come up with solutions to the problem, presenting the City's side on this issue and thoughts discussed on this issue this evening.*

8. MADRONE BUSINESS PARK ASSESSMENT DISTRICT

Director of Finance Dilles presented the staff report and recommended that the City Council continue the Public Hearing to May 10, 2000. Mayor Kennedy opened the public hearing. No comments were offered

Action: *By consensus, the City Council **continued** the pubic hearing to May 10, 2000*

OTHER BUSINESS:

11. UPDATE ON REQUEST FOR PROPOSALS FOR MEDICAL SERVICES IN MORGAN HILL

Interim City Manager Tewes presented the staff report and informed the City Council that a supplemental staff report was distributed this evening. He identified the entities who submitted request for proposals. He said that it was staff's intent to report back to the City Council and the community what responses were received and to suggest an approach on how to proceed with the evaluation of the proposals. However, given the number of individuals requesting additional time, it would be appropriate for the City Council to discuss whether or not it wishes to provide additional time. He noted that staff was directed to proceed as quickly as possible, as time was of the essence at its meeting of April 5, 2000. Staff is recommended that an extension of time to submit proposals be granted for 30 days to June 5, 2000. He further recommended that the Council identify the most important aspects of the proposal that would help the City Council in reaching a decision.

Interim City Attorney Leichter said that as this is an RFP process, in order to equalize the playing field, it would be appropriate for the City Council to make comments concerning the general parameters that it would like to see the proposals address. However, she advised against giving input on specific proposals.

Mayor Pro Tempore Tate stated that in reviewing the proposals, the Council wanted to see details on the entire mechanism and financial information. He requested that an 8" x 11" page business plan be submitted that identifies how the proposal will work as a business. The summary business plan should identify who will be served, anticipated expenses, anticipated revenues/sources, operating income or loss, market projection, and markets to be served.

Council Member Sellers said that he would like to know if the proposal will be viable, who will be served, and whether long term medical services can be provided. He concurred that the proposal should be kept at a macro level as much as possible. He wanted to know if the proposal will be able to provide medical services that were provided in the past. If not, what medical services will be provided instead. He recommended that all bullet points be listed. He recommended that a summary be provided that will assist the City Council in making an initial decision.

Council Member Chang felt that the following questions need to be answered: What assistance is the proposer seeking from the City? Are there to be any liabilities to the city? Will City financial assistance be required? What services are to be provided? She stated that it is the Council's goal to reestablish a full acute hospital in the future. The provider will need to identify how it will achieve providing a full acute care hospital in the future.

Council Member Cook requested that the proposal describe how the operation would preserve the licensing of the hospital. Overhead costs are important to know as it was the downfall of the previous operator of the hospital. Proposers need to outline the operational cost and how they will deal with overhead costs, including the price of the lease. She noted that there have been some inferences made that there will be some partnerships between more than one entity. She would want to see the partnership acting in concert with one proposal and to have all of the parties be part of one proposal. She felt that the Council needs to see the entire package. If someone is to come forward and purchase the hospital with the city acting as an intermediary, the Council will need to know this fact. If proposers feel that they can offer more than one proposal, she would like to hear more about the alternative. She felt that management is critical and that a larger market needs to be drawn in to be successful.

Mayor Pro Tempore Tate concurred with Council Member Cook's comments.

Mayor Kennedy opened the floor to public comment.

Robert Holderness, attorney, informed the City Council that he is dedicated in working with both the Tennant Health Systems and the principals of Hillview Convalescent Hospital in submitting an integrated, comprehensive supplement to the proposal submitted earlier this week. He felt that in order to do so, the following sequences need to occur: 1) Tennant Health Systems has to finish working out the business relationship among four groups/individuals. 2) Completion of a business, marketing and financial plans to demonstrate to the City Council that it is a workable plan. 3) Assuming the City is in accord with the proposal, to work with city staff to determine a viable strategy on the eminent domain issue. He felt that the HOM Group feasibility study was a good, conservative study. The study shows that there is a high need for a woman's clinic, an OB-GYN and pediatric type services due to the fact that a large segment of the population is of a younger age with young children. He felt that some changes will need to be made with the basis for the survey. He did not believe that the City of Hollister was the best selection for inclusion and felt that it would have been more prudent to extend the census tract covering south San Jose. It is felt that the San Jose census tract would be a likely source of patients to a hospital in Morgan versus Hollister residents. It is felt that the population profile will show that the people are older versus those living in Morgan Hill and Gilroy and therefore more likely to have a need for an acute care hospital and a skilled

nursing facility. The economic viability of any proposal has to demonstrate that there would be an average daily use higher than the conservative numbers used by the HOM Group. He stated his concurrence with a 30-day continuance for the submittal of a proposal to allow a study of the San Jose census tract to see if that will change the projection estimates.

Dan Door, Tennant Health Systems, stated that 30 days would be a reasonable time period to put a proposal together, assuming that decisions are provided on some key critical questions such as the groups working out the relationships between each other.

Mayor Kennedy agreed that a summary sheet, as described by Mayor Pro Tempore Tate, is an important piece of information that should be included in a proposal.

In response to Council Member Cook's question, Mr. Door stated that he would return with an optional plan if it is found that the numbers were not what was anticipated.

Council Member Chang recommended that the City Manager work with each of the applicants on their proposals.

No other comments were offered.

Action: *On a motion by Council Member Sellers and seconded by Council Member Chang, the City Council unanimously (5-0) **agreed** extend the period to submit an RFP proposal for medical services to June 5, 2000 and that staff schedule the discussion of the proposals for June 7, 2000.*

9. REVIEW OF PROPOSED LAND USE AND TRANSPORTATION LEGISLATION UNDER SB 2017 (PERATA)

Director of Community Development Bischoff presented the staff report and indicated that this is a bill that would require MTC and ABAG to establish policy criteria based upon a balance of jobs and housing that would be used to evaluate whether cities and counties are accepting their fair share of housing starts. It would also require MTC to evaluate whether cities and counties are participating in a regional traffic congestion reduction plan and would require MTC and ABAG to develop monitoring and evaluation incentive programs with respect to these criteria. One potential outcome of this bill would be to change the structure and process of decision making with respect to regional transportation issues. It is conceivable that the VTA Board or its legal authority could be replaced by a regional transportation authority. He informed the City Council that the League of California Cities is recommending that cities take a wait and see approach to the bill. He also indicated that amendments have been requested by VTA. Therefore, staff recommends that the Council monitor the changes that are expected to occur. After amendments have been made, staff would return with a more definitive direction for support or opposition. He informed the City Council that MTC is a regional transportation authority and has more authority than the VTA, the County organization. He indicated that MTC oversees the regional traffic funding and establishes a regional transportation plan.

Mayor Kennedy indicated that the south bay does not feel that it is being adequately represented. He stated that MTC is the ultimate authority for making federal and state funds. He inquired as to the intent of the Perata bill in this case?

Mr. Bischoff responded that it is the intent of the Perata Bill to ensure that cities are assuming their fair share of the region's housing. It is staff's belief that Morgan Hill is making more than its fair share if you are looking at the issue of jobs and housing balance. There is also concern about the extent to which counties and cities within counties are participating in traffic congestion reduction plans. He said that the County has an area-wide deficiency plan but that he was not sure if this was the case for all counties in the nine county bay area.

Council Member Chang concurred with staff's recommendation to take a wait and see approach. She said that in an ABAG meeting, she was startled to see a recommendation by a housing advocate for an average of 8-12 units per acre two to three years ago. Last year, 40 units/acre were recommended. She said that it would be interesting to see what ABAG projects this year.

Council Member Sellers said that in his discussions with VTA, they indicate that this bill would not directly affect them. Therefore, VTA is also taking a wait and see position.

Mayor Kennedy stated that VTA is taking a more active role in planning issues. He felt that VTA is the representative body for Santa Clara County versus the other two agencies and felt that VTA is doing a better job than MTC or ABAG. He stated that he would support a wait and see approach.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: *On a motion by Council Member Sellers and seconded by Council Member Cook, the City Council unanimously (5-0) **Directed** staff to monitor the bill and bring back for Council action after amendments are included at the suggestion of MTC and ABAG. Staff to write a letter consistent with Council direction.*

10. POSITION ON SB 1995 - MTC PLANNING PROCESS

Director of Community Development Bischoff presented the staff report. He indicated that VTA is opposed to this bill and that staff concurs with VTA's position.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: *On a motion by Council Member Cook and seconded by Council Member Sellers, the City Council unanimously (5-0) **Directed** the City Manager to draft a letter to the State Senate opposing Senate Bill SB 1995 (PERATA).*

Redevelopment Agency Action

CONSENT CALENDAR:

Action: On a motion by Agency Member Tate and seconded by Agency Member Cook, the Agency Commission unanimously (5-0) **approved** Consent Calendar items 4 and 12 as follows:

4. APPROVAL OF RIGHT OF WAY PURCHASE AGREEMENTS FOR BUTTERFIELD EXTENSION (APN: 726-27-037 AND 726-22-006)

Interim City Manager Tewes indicated that this action would acquire some of the parcels needed to complete the gap of Butterfield Boulevard. It is anticipated that once all right of way property acquisitions are completed, construction will be underway and completed in November 2000.

Action: ***Authorized** the City Manager to execute purchase agreements with the owners of APN 726-27-037 and 726-22-006 for total compensation of \$436,000.*

12. SPECIAL REDEVELOPMENT AGENCY MINUTES OF APRIL 26, 2000

Action: ***Approved** the Minutes as submitted.*

City Council & Redevelopment Agency Action

CONSENT CALENDAR:

Action: *On a motion by Council/Agency Member Sellers and seconded by Council/Agency Member Chang, the City Council/Agency Commission unanimously (5-0) **approved** Consent Calendar Item 13 as follows:*

13. JOINT REGULAR CITY COUNCIL REGULAR & SPECIAL REDEVELOPMENT AGENCY OF APRIL 19, 2000

Action: ***Approved** the minutes as submitted.*

CLOSED SESSION:

Interim City Attorney Leichter announced the following closed session items:

1.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION & CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Legal Authority:	Government Code 54956.8 & 54956.9(c) (1 potential case)
Real Property(ies) involved:	APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Mission View and Cochrane Road; and APN 728-31-009 - 12.88 acres located on the southeast corner of Cochrane and Highway 101 (St. Louise Hospital property)
City Negotiators:	Agency Members; Interim Executive Director; Interim Agency Counsel; and F. Gale Conner, special counsel
Closed Session Topic:	Potential Litigation

2.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code Section 54956.8
Property: APN 817-13-001; 37.8 (soccer complex)
Negotiating Parties:
For Property Owners: Tadashi & Alice A. Kadonaga, Trustee
For City: Jim Ashcraft; F. Gale Connor; J. Edward Tewes
Under Negotiation: Price and Terms of Payment

3.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION & CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code Section 54956.8 & 54956.9(c)
Property: APN 825-06-002, 003, 029, 030; 36.6 acres
(Railroad/Maple - Butterfield Retention Basin Site)
Negotiating Parties:
For Property Owners: Costa Family Partners
For City: Jim Ashcraft; F. Gale Connor; J. Edward Tewes,
Under Negotiation: Price and Terms of Payment

4.

CONFERENCE WITH LEGAL COUNSEL - REAL PROPERTY TRANSACTION

Legal Authority: Government Code Section 54956.8
Real property(ies) involved: *The Father's House*, First United Pentecostal Church
APN 767-18-044 (271 West Edmundson Avenue)
Agency Negotiators: Interim Executive Director; Interim Agency Counsel; Director of
Business Assistance & Housing Services; Recreation Manager
Closed Session Topic: Acquisition of Real Property

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the closed sessions to public comment. No comments offered.

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

No items were noted.

ADJOURN TO CLOSED SESSION

Mayor Kennedy adjourned the meeting to closed session at 9:28 p.m.

RECONVENE

Mayor Kennedy reconvened the meeting at 10:59 p.m.

CLOSED SESSION ANNOUNCEMENT

Interim City Attorney Leichter announced no reportable action was taken on Closed Session Items.

ADJOURNMENT:

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 11:00 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, City Clerk/Agency Secretary